



**Faculty of Cognitive Sciences and Human Development**

**THE RELATIONSHIP BETWEEN WORK-RELATED  
PSYCHOSOCIAL FACTORS AND WORK PERFORMANCE IN  
PRIVATE SECTOR COMPANY**

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Final Year Project Report



Masters

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*yiwei*

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**THE RELATIONSHIP BETWEEN WORK-RELATED PSYCHOSOCIAL  
FACTORS AND WORK PERFORMANCE IN PRIVATE SECTOR COMPANY**

LIM YI WEI

This project is submitted  
in partial fulfilment of the requirements for a  
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The project entitled ‘The Relationship between Work-related Psychosocial Factors and Work Performance in Private Sector Company’ was prepared by Lim Yi Wei and submitted to the Faculty of Cognitive Sciences and Human Development in partial fulfillment of the requirements for a Bachelor of Science with Honours (*Human Resources Development*).

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## **ABSTRAK**

Faktor psikososial yang berkaitan dengan pekerjaan adalah pemboleh ubah dalam persekitaran kerja yang mempengaruhi organisasi yang sihat secara fizikal dan mental. Oleh itu, persekitaran yang selesa dan sihat harus dibina untuk menyokong penglibatan pekerja dan memberi inspirasi kepada kreativiti dan inovasi mereka untuk memupuk budaya prestasi yang berkualiti. Terdapat banyak komposisi termasuk dalam factor psikososial yang berkaitan dengan pekerjaan dan empat komponen difokuskan untuk diselidik dalam kajian ini, seperti kesesuaian peranan, gaya kepimpinan, sokongan penyeliaan, dan budaya organisasi. Penyelidikan ini bertujuan untuk mengkaji hubungan antara factor psikososial yang berkaitan dgn pekerjaan dan prestasi kerja di syarikat sector swasta. Pengaruh keempat-empat pemboleh ubah ini dikaji di kalangan pekerja di salah satu sector swasta di Pulau Pinang, Malaysia. Populasi sasaran kajian ini terdiri daripada 70 responden di jabatan rawak dengan saiz sampel 60 pekerja sebagai responden. Kaedah kuantitatif digunakan dalam kajian ini dan soal selidik dalam talian diedarkan kepada responden untuk mengumpulkan data. Data yang dikumpulkan dianalisis dengan menggunakan Statistical Package for Social Science (SPSS) versi 22.0. Analisis korelasi Pearson digunakan untuk menguji kesan pemboleh ubah bebas (kesesuaian peranan, gaya kepemimpinan, sokongan penyeliaan, budaya organisasi) terhadap prestasi kerja pekerja. Hasil kajian menunjukkan bahawa keempat-empat faktor kerja psikososial mempunyai hubungan yang signifikan dengan prestasi kerja pekerja. Batasan dan cadangan kajian dibincangkan lebih lanjut dalam kajian ini.

## **ABSTRACT**

Work-related psychosocial factors are the variables in the work environment that influence a healthy organization physically and mentally. Hence, a comfortable and healthy work environment should be built to support employee engagement and inspires their creativity and innovation in order to nurture a quality performance culture. There are many compositions include in the work-related psychosocial factors and four components were focused to be investigated in this study, such as role congruity, leadership styles, supervisory support, and organizational culture. This research aimed to study the relationship between work-related psychosocial factors and work performance in a private sector company. The influence of these four variables was studied among the employees in one of the private sectors in Penang, Malaysia. The target population of this study consists of 70 respondents in random departments with a sample size of 60 employees as respondents. A quantitative method was used in this study and the online questionnaires were distributed to the respondents to collect data. The data collected were analyzed by using Statistical Package for Social Science (SPSS) version 22.0. Pearson's correlation analysis is used to test the impact of independent variables (role congruity, leadership styles, supervisory support, organizational culture) on employees' work performance. The findings showed that all of the four psychosocial work factors had a significant relationship to employee work performance. Limitations and recommendations of the study were discussed further in this study.

## **CHAPTER ONE**

### **Overview of Study**

#### **1.1 Background of Study**

Work performance - the very significant factor that influences the productivity of a corporation (Bevan, 2012). According to Emery and Casey (2013), work performance refers to the total anticipated value to a corporation of the distinct behavioral episodes that an individual does throughout an average timeframe. Several studies had mentioned that insufficient work performance would lead to a disaster for the corporation as the overall corporation potency will decrease (Cooke, 2000; Okoyo & Ezejiofor 2013). Viswesvaran and Ones (2000) further proposed that the core construct of the workplace nowadays is the performance of employees in work. There is no denying the fact that employees' performance is crucial for an organization to be dealing with business success. To date, more and more organizations are awakening to the need to enhance the quality of employees for optimal performance results (Noviati, 2015).

Prior studies have established that work conditions are associated with employee performance (Olson & Borman, 1989; Pheng & Chuan, 2006; Samson et al., 2015). Research in the field of occupational health has demonstrated that the work environment influences the organization both in terms of the corporation revenue and employee health, and the workability of employees will be restricted when it affected health (Lohela et al., 2009; Sainfort, Karsh, Booske & Smith, 2001). A comfortable and healthy work environment should be built to support employee engagement and inspires their creativity and innovation in order to nurture a quality performance culture. By taking into account

the promotion of work conditions on employees' performance, psychosocial factors inherent in the workplace being regarded as interdependent factors that may have an impact on the physical and mental health of the employees (Haukka et al., 2009).

In the industrialized and developing century, work conditions may be the main cause of adverse psychosocial factors that lead to stressful experiences. Work-related psychosocial factors would impact the general health of employees in either a positive or negative way and the effectiveness of psychosocial factors may differ from each employee (Lohela et al., 2009). If employees are influenced by psychosocial work factors negatively, this could result in decreased health in the population, raised sick leave, all of which are important to the organizational economy. On the contrary, perceive psychosocial climate positively could act as health-enhancing and performance-maintaining agents. It is pertinent to note that psychosocial factors play a crucial role in contemporary and future societies.

Given the importance of HR in the corporation, the utmost significant aspect to attain competitive advantage among organizations is contributed by employees' performance. Additionally, work performance was evidenced to be linked with psychosocial environmental factors (Jayaweera, 2015). Thus, by receiving the right environmental factors psychosocially, employees can have a positive mindset and boost their confidence and enthusiasm to perform better. However, most of the past findings emphasized the perceptions about the physical work environment of employees towards work performance (Kahya, 2007; Samson et al., 2015; Vischer, 2007) but not about the influence of social conditions on an individual's psychological factors. While it can be concluded that the prior studies were paying little attention in examining the relationships between work-related

psychosocial factors and work performance, and yet today, no study has been conducted in the Malaysian context.

Moreover, the present study aimed to highlight these issues by involving employees from selected organizations in the private sector. This is because the private sector companies are confronted with plenty of challenges concerning the happiness of employees. The well-being of employees in the private sector still cannot be enhanced although there are advanced developments in designing digital work environments. Many downsides news can still always be heard, for instance, working long and miscommunication problems between colleagues and organizational hierarchy (Idris & Dollard, 2014). Correspondingly, proper psychosocial measures are necessary to serve as a means for maintaining employees' happiness. However, findings in the private sector organizations are poor. Therefore, this study was conducted to address the well-being of employees in private sector companies which leads to improved work performance in the Malaysian context by considering important psychosocial factors at work.

## **1.2 Problem Statement**

Issues regarding past studies in related fields will be highlighted accordingly in the following section, which includes the knowledge gaps, empirical gaps, and practical gaps.

Firstly, the correlation between components of psychosocial and employees' work performance is largely missing on general grounds as there was little attention being paid to the influence of work-related psychosocial factors on employees. This knowledge gap arises because the work-related psychosocial factors are considered relatively one of the most essential issues in the present and future cultures (Tage S. Kristensen et al., 2005).

Over the years, scientific studies have looked at the association between psychological factors at work and employees' mental health (Netterstrøm et al., 2008). According to Beiser et al. (1994), HR practitioners paid less attention to the work performance evaluation of psychosocial factors. Most of the researches is conducted to explore the consequences of work-related psychosocial factors towards the employees (Beiser et al., 1994; Netterstrøm et al., 2008).

Also, past research showed that around 86% of productivity (work performance) problems are linked to the physical work environment (Taiwo, 2010), and there are limited hypothesis testing chances that produced by the specificity of work-related psychosocial factors (Feuerstein et al., 2004). In fact, there are other psychosocial work-related factors that contribute to the employees' outcomes in an organization. Thus, the present study helps to discover the relationship between work-related psychosocial factors and work performance.

Moreover, the researchers with a limited scope of study have arisen the empirical gaps as there are a lot of studies were only conducted in certain nations. Past findings have shown work performance in developing countries is insufficient. Most of the previous findings were done in Western-based private sectors (Sibbel, 2020; Wessells & Monteiro, 2007). Thus, it is a lack of accuracy in understanding the issues of work-related psychosocial factors and work performance in the context of other countries that have different cultures and work systems compared to organizations in the Western countries. The culture had been identified as one of the most significant aspects to predict organizational members' efforts in transferring their perception from psychosocial to work

performance because the applicability of cultures to different countries is not yet confirmed (Haukka et al., 2009).

Apart from that, research associated with this issue is still scant in regards to the organizations of the private sector in Southeast Asia nations, especially in Malaysia. This addressed the practical gap in previous findings as they were more focused on the medical sector (Aasa et al., 2005; Morgantini et al., 2020) and education institutions (Odebode, 2018). In such studies, the construct of factors described in a very general manner, thus weakening to deliver insights more specifically into how and why psychosocial work-related factors result in organizational output. Hence, more in-depth studies on the relationships between antecedent factors of psychosocial and work performance among employees of Malaysia's private sector are valued.

To sum up, to explore the relationship between work-related psychosocial factors and work performance, a model was proposed and tested in the current study. It implements benefits to future HRD research and contributes to performance-related literature by tending to the gaps showed in past studies.

### **1.3 Research Objectives**

The **main objective** of this study was stated as below:

To investigate the relationship between work-related psychosocial factors and work performance.

The **specific objectives** of this study were stated as below:

1. To study the relationship between role congruity and work performance.



2. To study the relationship between leadership style and work performance.
3. To study the relationship between supervisory support and work performance.
4. To study the relationship between organizational culture and work performance.

## 1.4 Research Hypotheses

### *Alternative hypotheses of study*

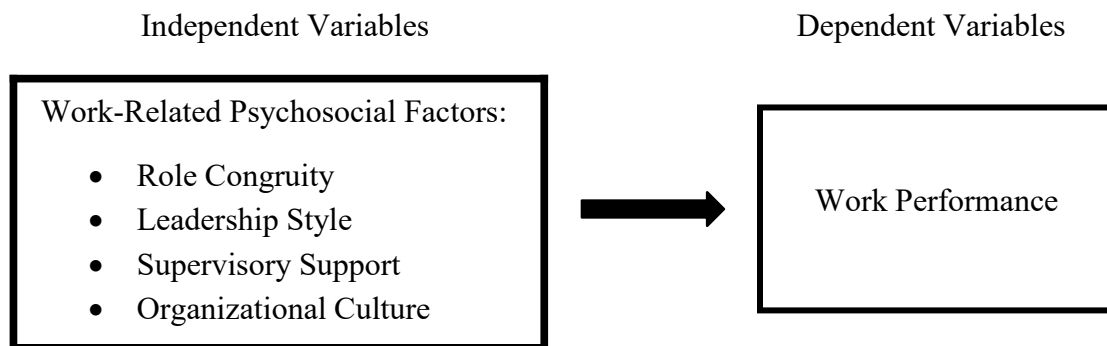
H<sub>a1</sub>: There is a significant relationship between role congruity and work performance.

H<sub>a2</sub>: There is a significant relationship between leadership style and work performance.

H<sub>a3</sub>: There is a significant relationship between supervisory support and work performance.

H<sub>a4</sub>: There is a significant relationship between organizational culture and work performance.

## 1.5 Conceptual Framework



*Figure 1.1: Conceptual Framework*

*Source: Adapted from Kagwi (2018) and Novianti (2015)*

Figure 1.1 showed a proposed conceptual framework, and it was tested in the current study to investigate the correlation between work-related psychosocial factors and work performance among employees in the private sector companies. Past studies have shown that the psychosocial environment in the workplace does affect employees' health which reflects on their work performances (Netterstrøm et al., 2008; Pheng & Chuan, 2006). The work performance (dependent variable) in this study is measured by work-related psychosocial factors (independent variable) which include role congruity, leadership style, supervisory support, and organizational culture. All these components fall on work performance based on Kagwi (2018) and Noviati (2015). According to Kagwi (2018), these psychosocial workplace factors are associated with the success of individuals, organizational, and even nations.

## **1.6 Significance of Study**

This study is essential to the community and the findings can redound to the profit of the community seeing that HR has come to be viewed as a crucial department in the machine as organizational structures and policies become more complicated today. Henceforth, the following individuals and groups will benefit from the study: employers, HRD practitioners, and future researchers. This research allows them to identify the ever-changing needs of society.

First and foremost, the current study helps the organizations as it demonstrates the way transcendent factors would affect the efficiency of work performance. Worldwide organizations are quantifying a large amount of money on employees' healthcare as they believe that employees' performance and productivity could be increased if they are health

(Miller & Haslam, 2009). However, past findings showed that only a small portion of organizations' employees had a good performance as the particular employees perceived positive value from a variety of psychosocial factors in work. Thus, the present study aids the employers to gain more understanding of the psychosocial factors that would influence the employees' work performance in order to boost the performance of the organization.

In addition, by outlining the key work-related psychosocial factors in the current study, the HRD practitioners especially those who are specialized in the area of organizational development able to focus straight forwards in highlighting those factors for the employees to develop their strategies in order to keep or even raise their level of productivity and satisfaction. This is because what employees perceived from the psychosocial environment is assumed to be a determinant of work performance. Employees are more willing to perform outstandingly and increase revenue if they perceived psychosocial positively.

In this study, a framework was developed to enhance the understanding of what psychosocial factors would affect employees' work performance. Such a way enabled the relationship between work-related psychosocial factors and employees' work outcomes to be examined at the individual and organizational levels. Other than that, most of the current work performance associated with psychological and social factors were originated from the Western nations and therefore failing to meet the local objectives and demands in the Malaysian context. Through the current study, future researchers will have the option to extricate applicable information on the statistical data and master their comprehension of Malaysian employees' perceptions about performance in work. The findings also contribute to the body of knowledge on the HRD field in Malaysia by investigating whether

there is a definitive relation between work-related psychosocial factors and employees' work performance, as indicated in the Western countries.

### **1.7 Limitation of Study**

With regard to the current study, it had to be seen in the light of some limitations. Firstly, a quantitative approach was used to conduct this study. Thus, this study emphasizes was on the metrics of phenomena and analysis of quantitative data using objective and statistical ways rather than subjective and interpretive methods to gain an understanding of the issues concerned. Future scholars can use a qualitative approach such as taking interviews to investigate the relationship as it focuses less on measuring the data obtained and more on retrieving the subtleties from the information collected. This will enable the researchers to gain an enhanced level of detail from the data, providing better insights during data analysis.

The next limitation of this study was time constraints. It is because there was very little time available to carry out this research. Unlike the researchers who can potentially spend years or even a lifetime on exploring a single issue, the time frame to inquire into a research problem and to examine change or consistency over time was somewhat restricted by the due date of this study. Due to time constraints, it was difficult for the researcher to collect adequate data and information for the study. This limitation was accepted, and it was not easy, practically, to obtain many complex datasets over a constrained time-bound of a few months. Future researchers are encouraged to carry out data collection from more organizations across a longer time span to gain a more consistent level of data.